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**CHAPTER 47: GREATER NEW ORLEANS COMMUNITY HEALTH CONNECTION**

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**OVERVIEW**

In the aftermath of Hurricanes Katrina and Rita, Louisiana's Department of Health and Hospitals (DHH) was awarded a \$100 million Primary Care Access Stabilization Grant (PCASG) for the period July 2007 through September 30, 2010. This three year grant was designed to restore and expand access to primary care services, including mental health and dental care services, without regard to a patient's ability to pay, by providing short-term financial relief to outpatient provider organizations. The PCASG was also intended to decrease costly reliance on emergency room usage for primary care services for patients who were uninsured, underinsured, or receiving Medicaid.

Outpatient provider organizations were required to create referral relationships with local specialists and hospitals, establish a quality assurance or improvement program, and provide a long-term sustainability plan. They were also required to be operational and serving patients at one or more health care sites; be a public or private nonprofit organization; have a formal policy to serve all people regardless of the patient's ability to pay for services; establish a system to collect, organize and report the data to DHH through the Louisiana Public Health Institute (LPHI); and provide plans if the organization intended to relocate or renovate health care sites.

On August 6, 2010, the state of Louisiana submitted a proposal to the Centers for Medicare and Medicaid Services (CMS) for a Medicaid Section 1115 demonstration waiver for the continued funding of various clinics currently funded by the PCASG. The state proposed to reduce discretionary Disproportionate Share Hospital (DSH) funding and increase support for primary care medical homes (PCMH). CMS approved the Greater New Orleans Community Health Connection (GNOCHC) 1115 demonstration effective October 1, 2010 through December 31, 2013. The demonstration waiver's funding approach would permit DHH to use up to \$30 million (total computable) in demonstration years (DY) 1, 2, and 3 and \$7.5 million (total computable) in DY 4 for specified PCMH providers. To maintain budget neutrality, the state would ensure that these amounts, when added to DSH payments, would not exceed the DSH allotment calculated in accordance with section 1923 of the Social Security Act. In September 2013, CMS approved a 12-month extension of the demonstration to December 31, 2014. In addition to extending the GNOCHC program, CMS approved changes to the eligibility criteria and reimbursement methodology. The income eligibility guidelines decreased from 200% to 100% of the Federal Poverty Level (FPL) and targeted and incentive payments to providers (reimbursement for Shared Services expenditures, payments for those clinics who are on the path to attain National Center for Quality Assurance Patient-Centered Medical Home recognition, and infrastructure investment awards) ended. In addition, the year-end adjustment for supplemental encounter rate payments ended. Encounter rates for primary care reduced as well. To compensate for the extension, CMS approved an increase to the expenditures permitted under the budget neutrality limit for 2014.

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The GNOCHC demonstration covers residents of the Greater New Orleans area, comprised of Orleans, Jefferson, St. Bernard and Plaquemines parishes. It is one of the largest population centers in the state. It is home to over 800,000 individuals and represents roughly 20 percent of the state's population. According to the 2012 U.S. Census Bureau's American Community Survey estimate for this area, nearly 20 percent of individuals aged 18-64 had incomes below poverty. The Louisiana Health Insurance Survey shows 124,904 individuals living in the New Orleans area have incomes below 100 percent of the federal poverty level (FPL) and uninsured rates are highest for adults at this income level. Almost a decade after Hurricane Katrina, the Greater New Orleans area continues to be significantly impacted.

The GNOCHC demonstration was implemented in two phases. Phase 1 was October 2010 – December 2011 and Phase 2 continues through December 31, 2014. The GNOCHC demonstration accomplished its Phase 1 goals that focused on access preservation and evolution planning by enrolling thousands of low-income, uninsured adults into basic health care coverage; transforming PCASG awardees into coverage model-driven health care providers with routine Medicaid enrollment, billing processes and encounter rate payments; and substantially completing program start-up, paving the way for routine program operations and further evolution in Phase 2.

In Phase 2, DHH continues to enroll thousands of eligible adults into the GNOCHC demonstration, finalize the remaining key elements of the terms and conditions of the demonstration; and establish and maintain routine operations to enable providers to move further toward the goal of self-sustainability through the end of 2014.